United States Senate
WASHINGTON, DC 20510-2102

FOREIGN RELATIONS
SMALL BUSINESS

COMMITTEES:

COMMERCE, SCIENCE, AND TRANSPORTATION FINANCE

June 12, 2007

The Honorable Kevin Martin Chairman Federal Communications Commission Washington, DC 20554

Dear Chairman Martin:

As the FCC considers rules to govern the upcoming 700 megahertz spectrum auction, I urge you to use this opportunity to serve the public interest by making Internet services more competitive, affordable and widespread.

The U.S. is lagging behind much of the world in broadband penetration. Nearly 60% of the country does not subscribe to broadband service – in large measure because it is either unavailable or unaffordable. My home state of Massachusetts, which is a nationwide leader in innovation and technological advancement, still faces severe challenges in broadband deployment. There are many areas of our state that remain underserved. The 700 MHz auction could put this country one step closer to achieving ubiquitous broadband Internet access throughout America.

For years, we have heard that a third technology would emerge to compete head-to-head with DSL and cable modem—technologies that control 96% of residential advanced service lines. It has not yet materialized, and today Americans pay as much as ten times more than broadband consumers in Asia and Europe. Worse still, competition has been insufficient to drive the innovation that brings faster speeds, next generation applications, and a richer, diverse and multifaceted Internet.

With the 700 MHz auction we have a crucial opportunity to address these long-standing problems. This auction provides a rare opportunity to further develop wireless broadband Internet services in pursuit of the President's publicly stated goal to achieve ubiquitous broadband by the end of 2007.

Dramatically expanding wireless broadband may not be the silver bullet that solves all of our broadband challenges—but it will certainly be a big step in the right direction. Ultimately, the Commission should establish auction and service rules that maximize the likelihood of innovation and competitive entry in the broadband wireless market.

The rules should ensure the broadest level of participation in the auction with an eye towards promoting new broadband competition—enabling entrepreneurs and new market entrants to provide affordable, competitive high-speed wireless broadband services. The

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Commission should look to innovative methods to make the public airwaves a hotbed of technological development by making bandwidth available to new business models.

In addition, the Commission must ensure the greatest use of this spectrum, a limited and vital national resource. This spectrum should not sit dormant in the hands of winning bidders; instead the Commission should insist on strong build-out requirements to ensure deployment of services in a reasonable time frame. We cannot allow this spectrum to be hoarded by large companies who don't intend to use it, which stifles innovation and the growth of competitive networks. It is imperative that care is taken to avoid warehousing of this spectrum.

Another area of extraordinary importance is to properly address the needs of public safety and our emergency response community. Indeed, the auction creates an opportunity to tackle the grave inadequacies in our emergency response system. In that regard, I urge the Commission to consider proposals to create a nationwide broadband network and other proposals that seriously address our public safety and emergency communications needs.

The spectrum available in the 700 MHz provides a unique opportunity for technology and innovation to flourish, where we all have the ability to share in the expansion of the Internet's reach. Our economy, our schools and our families are counting on us to make affordable broadband a reality everywhere. I will be monitoring the Commission's activities closely to ensure the rules promote broadband competition, bring broadband access by all Americans, and address the needs of public safety.

Sincerely,

John Kerry